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UNCLAS QUEBEC 000108

SIPDIS

CUSTOMS AND BORDER PROTECTION WASHDC (BONNER)  
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SUBJECT: MIXED PREDICTIONS ON BTA ENFORCEMENT IMPACT ON QUEBEC  
AGRICULTURAL PRODUCE EXPORTERS

REF: A. OTTAWA 000224

[1](#)B. OTTAWA 000489

[1](#)1. Summary: As the August 12 deadline for BTA enforcement draws near, a report in the Quebec City daily "Le Soleil" claims that most small Quebec agricultural export companies have yet to comply with the BTA requirements for registration and are unprepared for prior notice. The article said that exporters will encounter some nasty surprises when the rules are fully implemented next month, and the provincial economy will suffer as a result. the great majority of large producers, however, have already registered or are awaiting accreditation from FDA. ConGen follow up with key players, however, gave a mixed picture. End Summary

[1](#)2. Claude Tardif, Vice President of the Quebec Exporters and Manufacturers (Manufacturiers et exportateurs du Quebec (MEQ)), told "Le Soleil" and Consulate, that he believes that only 35% of small and medium-sized exporting companies were currently accredited in accordance with the BTA. "There is still some resistance," he said "but one does not fool around with FDA." The larger food producers such as Lassonde and Aliments Carriere have been ready for months, said Tardif. The Quebec trucking industry appears to be better prepared, with 95% of their exporting members (the majority of which belong to large-scale transportation companies) already registered. MEQ provides assistance for training and coaching related to various complicated customs issues. As an organization, Tardif told us, the MEQ was more concerned about the C-TPAT cargo security and customs clearance standards than with BTA. Tardif's grim view was echoed by Garth White of the Canadian Federation of Independent Business (Federation canadienne de l'entreprise independante (FCEI)), a fifth of whose 105,000 members are in Quebec. "Le Soleil" quoted White as saying that a large majority of FCEI members are not prepared and pointed a finger at Ottawa for failing to effectively inform members. These producers, he predicted, will complain when U.S. Customs truly takes action next month.

[1](#)4. Quebec agricultural organizations, however, were more sanguine. Director Andre Coutu of the Quebec Agri-Food Export Club (Club export agro-alimentaire du Quebec) said that his members are set. "No one finds it amusing, it's a lot of paperwork. Inspections are more frequent but we have no choice. Washington is in charge." Likewise, Andre Turenne, Director of the Quebec Produce Marketing Association (Association quebecoise de la distribution des fruits et legumes), said that most of their members are in compliance. The perception among QPMA members is that the BTA is not an issue. In his view, Ottawa did a good job at getting the word out among members, many of which attended several meetings with U.S. and Quebec officials. Turenne, however, he said the association is still highly concerned about border delays, especially with seasonal exports and sees potential problems connected to the prior notice mechanism. He noted that there was only a single Virginia-based center for prior notice, and wondered whether it would be enough to meet the demand.

[1](#)5. Monique Trudel at the Quebec Ministry of Agriculture, Fisheries and Food judged that the situation was under control among Quebec produce growers. She told us that there was no sign of any problems in the short term, and eventual issues will be dealt with on a case-by-case basis. "Le Soleil's" article elicited little or no reaction at the Ministry, she stated. The Ministry could not provide input on the status of transport companies, but assumed the figures quoted in the article were correct. She said that she had seen no evidence in support of the charge that Ottawa had failed to effectively circulate information on the new rules.

[1](#)6. Comment: Like any significant procedural change, the efficacy of public information campaign and of the BTA system itself will be evident only when it goes fully into effect. Given the time sensitive nature of agricultural produce, however, any glitches will result in significant economic loss to Quebec producers. End Comment.

